



May 31, 2006

Engle Martin & Associates  
c/o Mr. Brian O'Connor  
750 Hammond Drive  
Building 19  
Atlanta, GA 30328

**Re: Maxus Realty Trust, Inc.**  
**Waverly Apartments - 100 Waverly, Bay St. Louis, MS**

FCP115002336300  
[Policy Number]

TLA-5-5010  
[Claim Number]

Dear Mr. O'Connor:

As you are aware, Maxus' Arbor Gate and Waverly Apartment complexes suffered substantial damage from Hurricane Katrina, catastrophe #49. First Specialty has now exhausted available primary coverage in the amount of \$2.5 million by payment of the Arbor Gate Apartments claim.

Flagship Reconstructive Services has provided a scope of work solely for the wind damage caused by Hurricane Katrina for the Waverly Apartments. Flagship's estimated value of the damage associated with wind is \$6,075,234. With this correspondence, I am enclosing a copy of their scope of work identifying the associated costs. I have also enclosed a copy of the engineer's report dated April 14<sup>th</sup>, 2006, from Burns & McDonnell assessing and validating the wind related damages.

Waverly is insured for business interruption losses. The insured is requesting the full insurable amount of their business interruption losses.

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Should you have any additional questions in regards to this insurance claim, please contact me or our counsel, Stacy Andreas at Lathrop & Gage L.C. We request written confirmation of receipt of this claim report by the carrier, RSUI.

Sincerely,

A handwritten signature in cursive script, appearing to read "DeAnn Duffield".

DeAnn Duffield  
Secretary,  
Maxus Realty Trust, Inc.